

#### Members

Sen. Beverly Gard, Chairperson  
Sen. Kent Adams  
Sen. Vi Simpson  
Sen. Glenn Howard  
Rep. Mark Kruzan  
Rep. Richard Mangus  
Rep. Dale Sturtz  
Rep. David Wolkins  
David Benshoof  
Michael Carnahan  
Randy Edgemon  
Hon. Jack Fowler  
Marvin Gobles  
William Goffinet  
Max Goodwin  
Lori Kaplan  
Regina Mahoney  
Kerry Michael Manders  
David Rector  
Gary Redding  
Alice Schloss  
Arthur Smith, Jr.  
Hin, H=Jim Trobaugh  
Lynn Waters



## ENVIRONMENTAL QUALITY SERVICE COUNCIL

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Authority: P.L. 248-1996 (SEA 138)

### MEETING MINUTES<sup>1</sup>

**Meeting Date:** October 21, 1999  
**Meeting Time:** 10:00 A.M.  
**Meeting Place:** Governmental Center South, 302 W.  
Washington St., Conference Center Room B  
**Meeting City:** Indianapolis, Indiana  
**Meeting Number:** 4

**Members Present:** Sen. Beverly Gard, Chairperson; Sen. Kent Adams; Sen. Glenn Howard; Rep. Dale Sturtz; David Benshoof; Marvin Gobles; Max Goodwin; Lori Kaplan; Regina Mahoney; Kerry Michael Manders; David Rector; Arthur Smith, Jr.

**Members Absent:** Rep. David Wolkins; Rep. Mark Kruzan; Sen. Vi Simpson; Rep. Richard Mangus; Alice Schloss; Lynn Waters; Gary Redding; William Goffinet; Hon. Jack Fowler; Randy Edgemon; Michael Carnahan; The Honorable Jim Trobaugh.

A CORRECTION: The minutes of the September 22 Air Subcommittee meeting reported that Subcommittee members Tom Easterly, Tony Sullivan, Dan Weiss, and Richard Van Frank were absent. In fact, they were present at the meeting.

The Chairperson, Senator Gard, called the meeting to order shortly after 1:30 p.m. and called upon Department of Environmental Management (IDEM) **Commissioner Lori Kaplan**, who presented her monthly report to the Environmental Quality Service Council (EQSC). Referring to a packet of printed

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<sup>1</sup> Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.ai.org/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

materials<sup>2</sup>, Commissioner Kaplan discussed IDEM's outreach, education, and assistance activities for the month of September; IDEM rulemaking activities published in the Indiana Register on October 1; the fees collected by IDEM in the month of September; and other aspects of recent IDEM activity. She made the following points:

- September was another month during which IDEM issued no late permits. IDEM has not issued a late permit since October of 1998
- Adriane Esparza, who formerly served as IDEM's Lake Michigan Lakewide Management Plan coordinator, has been hired as director of IDEM's Northwest Regional Office.
- The Water Quality Advisory Group established by IDEM is moving along well.
- In compliance with House Enrolled Act 1919, IDEM will, by November 1, publish its non-rule policy document on policies and procedures that IDEM will use in making permit decisions concerning existing sources that emit styrene.
- IDEM has established new air monitoring units in Gary, Elkhart, Evansville, and Indianapolis which will monitor the air for toxic compounds.
- At the second annual Indiana Pollution Prevention Conference, which was held in September, the Governor's office and IDEM presented several awards for excellence in pollution prevention activities. An excellent day-long seminar was held in conjunction with this conference.

Commissioner Kaplan and Deputy Commissioner Tim Method answered questions about the availability of IDEM information on IDEM's web site.

Senator Gard then announced the dates of remaining 1999 meetings of the EQSC:

**Tuesday, November 23, 1999, beginning at 10:00 a.m.** Location: Conference Room B, Indiana Government Center South, Indianapolis, IN.

At this meeting, Senator Gard said, the EQSC will consider the final reports of the Subcommittees and vote on anything on which a vote is needed.

**Tuesday, December 7, 1999, beginning at 1:00 p.m.** Location: the Senate Chamber in the State House.

At this meeting, Senator Gard said, the EQSC will adopt its final report for 1999 and receive the final recommendations of Crowe, Chizek and Company, the contractor studying the allocation of the costs of services supported by IDEM dedicated funds.

Senator Gard then recognized **John Fekete**, the Chairman of the IDEM Water Quality Advisory Group, which was established by IDEM in mid-1999 and has met monthly to discuss a variety of water

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<sup>2</sup>A copy of the packet of materials presented to the EQSC by Commissioner Kaplan, labeled as ATTACHMENT A to these minutes, is available from the Legislative Information Center (LIC) for reading and copying.

pollution-related issues. Mr. Fekete discussed the activities and progress of the Advisory Group, the current goals of which include making recommendations to IDEM on:

- how to manage those Indiana streams currently designated as outstanding state resource waters;
- a procedure for evaluating and designating other waters for special designations;
- whether IDEM should propose sediment and biological narrative water quality criteria; and
- whether IDEM should propose alternative water use designations for wet weather events, when cities with combined sewers are forced to discharge untreated effluent into receiving streams.

Senator Gard, who is also a member of the Water Quality Advisory Group, commented that the Group's meetings have been very productive.

Senator Gard then recognized **Greta J. Hawvermale**, Program Manager of the Indiana Development Finance Authority (IDFA), who spoke about the Indiana Brownfields grant and loan program, which provides grants and loans to political subdivisions for identification, assessment, remediation, and other costs involved in the redevelopment of brownfields. Referring to printed material that she had distributed to members of the EQSC<sup>3</sup>, Ms. Hawvermale provided the following information:

- The Brownfields grant and loan program was established under IC 13-9-5 in 1997.
- IDFA, under the program, has awarded 63 site assessment grants totaling nearly \$1,700,000 and processed six loans totaling \$765,000. Grants and loans have gone to forty-one Indiana communities.
- Communities responding to a survey conducted by IDFA reported the existence of 3,133 brownfields in Indiana.
- A Forgivable Loan Program has been established in response to 1999 House Enrolled Act 1909. HEA 1909 authorizes the forgiveness of up to 20% of the amount of a loan made to a political subdivision for remediation or other brownfield activities.
- Forgivable loans for three communities have been approved so far.
- IDFA and IDEM have conducted a number of outreach activities, including presentations, individual meetings, site visits, and conference calls.

Ms. Hawvermale and **Dana Reed Wise**, IDEM's Brownfields Program Section Chief, answered questions from Senator Gard about the cleanup of brownfields sites identified and assessed through the Brownfields program.

**Courtney Tobin**, the Executive Director and General Counsel of IDFA, spoke briefly about IDFA's Underground Storage Tank program, under which IDFA makes grants to low income operators of underground storage tanks for the removal of the tanks.

Senator Gard then called for reports from the four EQSC Subcommittees on their progress in the study of the issues assigned to them.

**Senator Kent Adams**, the Chairperson of the EQSC AIR SUBCOMMITTEE, presented a written "Report of the Air Subcommittee," copies of which were distributed to those in attendance.<sup>4</sup> Senator

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<sup>3</sup>A copy of the materials distributed by Ms. Hawvermale, labeled as ATTACHMENT B to these minutes, is available from the Legislative Information Center (LIC) for reading and copying.

<sup>4</sup>A copy of the Report of the Air Subcommittee, labeled as ATTACHMENT C to these minutes, is available from the Legislative Information Center (LIC) for reading and copying.

Adams explained that the Air Subcommittee was assigned four issues for study during 1999; that he, as Subcommittee Chairperson, invited the members of the Subcommittee to submit written recommendations as to each of the issues; that staff prepared a written compilation of the members' recommendations, which was discussed at the Subcommittee meeting of September 29; and that staff then prepared the "Report of the Air Subcommittee" as a compilation of the members' recommendations. Senator Adams pointed out that the Air Subcommittee did not vote on whether to endorse any of these recommendations and therefore the inclusion of a recommendation in the Report should not be interpreted as a sign that a majority of the Subcommittee members supports the recommendation.

Kerry Manders inquired about the Air Subcommittee's study of alternative fuels and alternative fuel vehicles. Senator Adams commented on the impending availability to the public of vehicles that will be capable of running on both gasoline and electricity. IDEM Assistant Commissioner Janet McCabe spoke briefly about current programs encouraging the use of alternative fuels. Senator Glenn Howard commented on the pollution caused by certain trucks.

Senator Gard drew the attention of the EQSC to the printed "Subcommittee Status Reports" of the IDEM AND PUBLIC HEALTH SUBCOMMITTEE and the IDEM ADMINISTRATIVE ISSUES SUBCOMMITTEE, copies of which were distributed by staff.<sup>5</sup> These reports were reviewed and discussed. Senator Gard, who is also the Chairperson of the Land and Water Subcommittee, then presented the the LAND AND WATER SUBCOMMITTEE's printed Status Report.

Finally, the EQSC heard a presentation by Crowe Chizek and Company, LLP, the consultant to IDEM with respect to the subject of HEA 1578, SECTION 8: the allocation of the costs of services supported by IDEM dedicated funds. Making the presentation for Crowe Chizek were **Robert W. Lazard**, CPA, Managing Executive, and **Scott R. Nickerson**, Senior Engagement Manager.<sup>6</sup>

Mr. Lazard and Mr. Nickerson discussed their firm's study of IDEM's administrative cost allocation methods and the impact of those methods on dedicated funds. They offered an outline of their study which listed the following steps:

- (1) Conduct individual interview sessions
- (2) Dedicated funds: analyze operational and program activities
- (3) Dedicated funds: analyze financial activity
- (4) Agency wide services: analyze budgetary and cost allocation components
- (5) Report preparation

Mr. Lazard and Mr. Nickerson said that their firm's study is underway and that they will present a report of their findings at the EQSC meeting on December 7.

Senator Gard adjourned the meeting at approximately 12:30.

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<sup>5</sup>Subcommittee Status Reports prepared for the IDEM and Public Health Subcommittee, the IDEM Administrative Issues Subcommittee, and the Land and Water Subcommittee are available from LIC as Attachment D to these minutes.

<sup>6</sup>Mr. Lazard and Mr. Nickerson both have the following work address:  
Crowe, Chizek and Company LLP  
3815 River Crossing Parkway, STE 300  
P.O. Box 40977  
Indianapolis, IN 46240-0977

Mr. Lazard's phone number is 317-706-2633. His e-mail address is rlazard@crowechizek.com.

Mr. Nickerson's phone number is 317-706-8989. His e-mail address is snickerson@crowechizek.com.